

## Fiscal Service, Treasury

## § 203.13

Federal tax payment amount and credit that amount to the TGA on the day of the transaction.

(c) *Cancellations and reversals.* In addition to cancellations due to insufficient funds in the financial institution's reserve account, the FRB may reverse a same-day transaction:

(1) If the transaction:

(i) Is originated by a financial institution after the deadline established by Treasury in the procedural instructions;

(ii) Has an unenrolled taxpayer identification number; or

(iii) Does not meet the edit and format requirements set forth in the procedural instructions; or

(2) At the direction of the IRS, for the following reasons:

(i) Incorrect taxpayer name;

(ii) Overpayment; or

(iii) Unidentified payment; or

(3) At the request of the financial institution that sent the same-day transaction, if the request is made prior to the payment day deadline established by Treasury in the procedural instructions.

(d) Other than as stated in paragraph

(c) of this section, Treasury is not obligated to reverse all or any part of a payment.

### § 203.12 EFTPS interest assessments.

(a) *Circumstances subject to interest assessments.* Treasury may assess interest on a financial institution in instances where a taxpayer that failed to meet a tax due date proves to the IRS that the delivery of Federal tax payment instructions to the financial institution was timely and that the taxpayer satisfied the conditions imposed by the financial institution pursuant to § 203.10(b). Treasury also may assess interest where a financial institution fails to respond to an ACH prenotification entry on an ACH debit as required under part 210 of this title, or fails to originate an ACH prenotification or zero dollar entry on an ACH credit at a taxpayer's request, which then results in a late payment.

(b) *Calculation of interest assessment.* Any interest assessed under this section will be at the TT&L rate of interest. Treasury will assess the interest from the day the taxpayer specified

that its payment should settle to the Treasury until the day Treasury receives the payment, subject to the following limitations: for ACH debit transactions, interest will be limited to no more than seven calendar days; For ACH credit and same-day transactions, interest will be limited to no more than 45 calendar days. The limitation of liability in this paragraph does not apply to any interest assessment in which there is an indication of fraud, the presentation of a false claim, or misrepresentation or embezzlement on the part of the financial institution or any employee or agent of the financial institution.

(c) *Authorization to assess interest.* A financial institution that processes Federal tax payments made electronically under this subpart is deemed to authorize the TSC to debit its reserve account for any interest assessed under this section. Upon the direction of Treasury, the TSC will debit the financial institution's reserve account for the amount of the assessed interest.

(d) *Circumstances not resulting in the assessment of interest.* (1) Treasury will not assess interest on a taxpayer's financial institution if a taxpayer fails to meet a tax due date because the taxpayer has not satisfied conditions imposed by the financial institution pursuant to § 203.10(b) and the financial institution has not contributed to the delay. The burden is on the financial institution to establish, pursuant to the procedures in § 203.13, that the taxpayer has not satisfied the conditions and that the financial institution has not caused or contributed to the delay.

(2) Treasury will not assess interest on a financial institution if a taxpayer fails to meet a tax due date because the FRB or the TFA caused a delay and the financial institution did not contribute to the delay. The burden is on the financial institution to establish, pursuant to the procedures in § 203.13, that it did not cause or contribute to the delay.

### § 203.13 Appeal and dispute resolution.

(a) *Contest.* A financial institution may contest any interest assessed under § 203.12 or any late fees assessed under § 203.17. To do so, the financial institution must submit information